In the Supreme Court of the United States.

OCTOBER TERM, 1875.

No. 128.

WM. BURDELL, D. MARSHALL SMITH AND SUMNER T. SMITH, PLAINTIFFS IN ERROR,

vs.

AUGUSTUS DENIG AND WM. E. IDE.

In error to the Circuit Court of the United States for the Southern District of Ohio.

STATEMENT OF FACTS.

This case comes into this Court on a writ of error to the circuit court of the United States for the Southern District of Ohio.

On the 7th October, 1861, the plaintiffs below, who are also plaintiffs in error, filed a declaration in the circuit court alledging their ownership for Franklin county, Ohio, of the "Wilson sewing machine" patent of November 12, 1850, No. 7,776, and the renewals of January 22, 1856, No. 346, and December 9, 1856, No. 414, and that defendants infringed their right in said county from January 23, 1861, to the commencement of the suit, by using sewing machines having in their construction, in whole or in part, the invention so patented, thereby making gains and profits $20,000 to the damage of plaintiffs in like sum.

Plea—General issue.

The case was tried to a jury and resulted in a verdict for plaintiffs October 18, 1865, of $6,200. This verdict was set aside on motion of defendants, and a new trial granted October 26, 1865. This part of the case is reported in 2 Fisher's Patent Cases, 588.

The case was again tried to a jury resulting in a verdict and judgment to plaintiffs of only $125, June 13, 1866.

On the trial the plaintiffs excepted to certain rulings of the court which are shown in a bill of exceptions, and which constitute the grounds now relied on to reverse the judgment. On the trial the plaintiffs gave in evidence the Wilson sewing machine patents referred to, proved their title as alleged, the infringment thereof by defendants by using several sewing machines, including four known as

"Singer Machines;" gave evidence tending to prove that the "feeding device" in all the machines used by defendants was substantially on the principle and plan of operation of the feeding device described in the Wilson patents, and evidence tending to prove the amount of profit made by defendants by the use of plaintiffs' patented invention exceeding $5,000.

The bill of exceptions then shows that—

The defendants, to maintain the issue on their part, offered in evidence the following paper:

"In consideration of the sum of eighty dollars, to me paid by J. Payne Lowe, the receipt whereof is acknowledged, I do hereby assign, transfer, and set over utno the said Lowe, his representatives and assigns, the exclusive right to use, and sell to others to be used, in the county of Franklin, in the State of Ohio, Singer's patent sewing-machines, as mentioned in the patent granted to Isaac M. Singer, dated August 12, 1851, together with the right to have the said machines delivered to be used, or sold to be used, in the said county of Franklin, in the State of Ohio.

"And I hereby covenant that I have good right to make the assignment aforesaid.

"In witness whereof I have hereunto set my hand and seal, this 4th day of February, A. D. 1857.

"WILLIAM BURDELL. [SEAL.]

"In presence of—
"J. P. BUNCK.
"GEORGE BUNCK."

To the introduction of this paper the plaintiffs objected, but the objection was overruled, & the paper admitted; to which ruling of the court, overruling the plaintiff's objection and admitting said paper in evidence, the plaintiffs then and there excepted. And the paper was then read to the jury.

The defendants then gave in evidence an assignment from Lowe to Singer & Co., in the same words as that from Burdell to Lowe, above set forth, and also testimony tending to prove that the Singer machines used by the defendants were purchased of Singer & Co.

The defendants also gave in evidence testimony tending to prove that the machines called Singer machines, used by the defendants, were made as the Singer machines had always been made.

The defendants also gave in evidence a paper, the execution of which was admitted, & it was also admitted that the paper was to be treated as though executed by the plaintiff, Burdell, which paper is in these words:

"Article of agreement made and entered into, this thirteenth day of March, 1860, between Sarah Burdell, of the county of Franklin, in the State of Ohio, and H. Crary, of the same county, witnesseth:

"That said Sarah Burdell does hereby authorize and empower the said Crary, for the full term of four years and eight months, or from the date hereof, until the twelfth day of November, 1864, as fully and completely as she might herself, had not this agreement been entered into, to sell and use, and grant to others the right to use, in the said county of Franklin, A. B. Wilson's sewing-machines, as known and denominated for sewing cloth and other fabrics, patented Nov. 12, 1850, and re-issued Jan. 22nd and Dec. 9th, 1856, and, also, the sewing-machine patented by J. M. Singer, together with all the improvements which have been made already, or shall hereafter be made in the same, without additional costs, and, also, all other sewing-machines of every name and description to which the said Sarah may have power to exercise any control whatever; and the said Sarah hereby covenants and agrees with the said Crary, that during the said time of four years and eight months she will not sell or use, or grant to others the right to sell or use, in the said county of Franklin, the sewing-machines above specified, or any other of any name, or kind, or description, without the consent of said Crary.

"2d. That the said Crary agrees to make out and deliver to the said Sarah Burdell, or her authorized agent attorney, on the first day of each and every month, a full and accurate report of all sales of sewing-machines of every name, kind, and quality made by him or his agents during the preceding month, stating the first cost of each such machine in the purchase of the same from the manufacturers, or their agents, until ready for shipping, exclusive of freight and other incidental charges; also, the price at which such machine was sold by said Crary, or his agents; and stating also the difference between the said first cost of the said machines and the price at which the same were sold, and which difference for the preceding month, on the first day of each month, when the said report is delivered, as aforesaid, the said Crary agrees to pay the said Sarah Burdell, or her authorized agent or attorney, thirty-five per centum during the first six months from the date hereof, and forty per centum thereafter, or until the twelfth of November, 1864; provided, however, if the said percentage for any one month during the first four months from the date hereof should not amount to the sum of seventy-five dollars, the said Crary agrees to make it up to the full sum of seventy-five dollars, and the said Sarah agrees that for any such deficiency or difference between the said percentage and the sum of seventy-five dollars, the said Crary may reimburse himself out of the first excess of said percentage over one hundred dollars, after the expiration of the said four months from the date hereof.

"3d. It is agreed by the said Sarah Burdell and the said Crary that in the prosecution of an injunction to restrain or prevent the sale or use of any sewing-machine in said county of Franklin, in violation of the right, power and authority hereby vested in the said Crary to sell or use such machine in said county, and in the prosecution of any suit at law for the recovery of damages for the sale hereafter, or for the use of any such sewing-machine hereafter sold, the costs and expense of any such suit at law or in equity shall be equally borne by the said Sarah and the said Crary, each paying one-half of such costs and expenses and each sharing equally—that is, each being entitled to one-half of the net amount received in any such proceedings at law or in equity: *Provided*, That no such injunction shall be applied for, or any such suit at law instituted, without the consent of both parties to this agreement: *Provided, also*, That for the purpose of prosecuting any such suit at law that may be agreed upon by the parties hereto, the power and authority herein vested in the said Crary shall remain and continue in full force and effect after the expiration of said term of four years and eight months: *Provided, also*, That in any suits or proceedings at law or in equity which the said Sarah may see fit to institute on account of the use hereafter of any sewing-machines hereafter sold, the said Crary shall not be required to defray any portion of the costs and expenses or be entitled to any share of the amount so recovered in any suit or proceedings so instituted, as last aforesaid by said Sarah.

"4th. It is agreed that the first report of sales herein provided for shall be made on the first day of May next, and shall include all sales of sewing-machines from this date until the said first day of May.

"Witness our hands and seals, this 13th day of March, 1860.

(Signed) "SARAH BURDELL. [SEAL.]
"H. CRARY. [SEAL.]

"In presence of—
"FRANKLIN GALE."

The defendants then offered in evidence a paper signed by said Crary, in these words:

"Received of A. M. Denig one hundred and nineteen $\frac{50}{100}$ dollars, in full for the use of four of J. M. Singer & Co., two of Grover Baker, and one Battel's sewing-machine, from the 13 March, 1860, until the expiration of all the patents in same belonging to me, or in which I have any interest.

"Dated October 9, 1861.

(S'd) "H. CRARY."

To the admission of which paper the plaintiffs objected, because it was made and executed after the commencement of this suit, and because there

is no proof of the truth of the facts therein stated; but the court overruled the objections and admitted the paper in evidence, to which ruling, overruling the objections and admitting said paper in evidence, the plaintiffs then and there excepted. And the paper was then read to the jury.

There was testimony introduced tending to prove that in January, 1860, the plaintiffs had publicly advertised that they would soon have machines to sell; that Burdell, in October, 1860, had sold to one Rikenberger a shop-right to use said Wilson machine for $12.50, and he had also given his verbal assent that one Bryfagle might use in his house an old second-hand machine for $5.

There was also testimony tending to prove that after July 1, 1860, the plaintiffs declined to sell machines, and declined to license the use of any machines, and desired to retain use of said machine as a close monopoly, and so told the defendants.

And thereupon the plaintiffs offered to prove why they had given to said Rikenberger a license to use one of said machines, to which the defendants objected, and the court sustained the objection and refused to permit the plaintiffs to show the reason for the granting of said license; to all which the plaintiffs then and there excepted.

The plaintiffs in rebutting offered testimony tending to establish that on the 3d day of October, in the year 1860, a written notice was given to the said Holdamand Crary, that in consequence of repeated failures on the part of said Crary to comply with the conditions of the contracts entered into as aforesaid, the said license or power of attorney was revoked; a copy of which written notice is hereto appended and made part hereof, marked F.

F.

COLUMBUS, *Oct.* 3*d*, 1860.

MR. CRARY:

Sir: In consequence of repeated failures on your part to comply with the conditions of the license granted to you on the thirteenth of March last, some of which I will mention:

1st. You have not handed me, or to one authorized to receive it, a complete report of sales of sewing machines made during the preceding month, neither have you paid over to me or to one authorized to receive it, the amount of money due at the same time, as provided for in said license; your failure to do so, although the amount would have been small, has put me to great inconvenience.

2nd. You have not described each and every machine sold, stating the kind, the first cost, and what each and every machine sold for, the name of each and every machine, as provided for in said agreement or license.

3d. It was understood between us that such measures should be taken to secure the sales of all machines, or to stop others from selling any in which my patent in any way entered or became a part; that plan would have greatly increased the profits to each, and is, I think, a fair construction of said license, and might be a reasonable inference from the language of the contract.

4th. You have also, as I learn, consented to and entered into a written agreement with one person, or more, to sell and use sewing-machines on which my patent (for this country) is stamped, for much less than the price that I am entitled to under your written agreement with me, and your reports have not shown any profits from sales made by any one else, and if they had I should not have received any moneys for sales made contrary to the terms of said written agreement entered into on the thirteenth of March last, as before specified.

5th. As there is still in your hands most of the money that was due to me for the months of July, August and September, which has not been paid at the time specified in said contract, and is yet unpaid.

6th. I understand the law of license to be, that the sole right which the licensee has to sell or use a machine depends on the license, and he can sell or use under said license only by complying with the conditions; so that his use or sale aside from the express terms of the license is an infringement, and others buying from one who is in fault I suppose also infringe, and they also become wrong-doers. For these and other reasons I hereby revoke the

power of attorney or license granted to you, and I shall hereafter act as though said power of attorney or license had never been given.

(Signed) SARAH BURDELL.

And the plaintiff offered testimony tending to prove that the said Crary, before the giving of said notice, had failed to render accounts and make payments as provided in said license.

There was also testimony tending to prove that before the date of the said receipt the plaintiff Burdell had notified the defendants that the rights and interests of the said Crary had been terminated, and that he the said Crary had no right to authorize the defendants to use any of the machines actually used by them or to receive pay therefor.

And after all the testimony was closed the plaintiff asked the court to instruct the jury that the license of Burdell to J. Payne Lowe of the 4th of February, 1857, did not authorize him, and those deriving rights under that license, to use in the machine known and called Singer machine, in said county of Franklin, the feeding device patented to A. B. Wilson, which the court refused to give, but did charge the jury that the said license authorized the said Lowe and all claiming title from him to use in Franklin county the Singer machine, with a feeding device operating upon the principle and plan of that patented to Wilson; to which refusal of the court to charge as asked, and to the said charge as given, the plaintiffs then and there excepted.

The plaintiffs also asked the court to charge the jury that the paper, dated March 13th, 1860, by which Sarah Burdell appears to have contracted with Holdamand Crary, was revocable at the will of the said Sarah Burdell; or if the real interest was in William Burdell, at his will, in the name of the said Sarah; and that if the said revocation was without cause, that the remedy of Crary was an action for the breach of contract; which the court refused to give, but charged that the said instrumeut was a power of attorney coupled with an interest, and could not be revoked for any cause; to which refusal to charge as asked, and to the charge as given, the plaintiffs then and there excepted.

The plaintiffs also asked the court to charge the jury that the paper from S. Burdell, dated March 13, 1860, required Crary as a condition of all his rights under said contract to perform the part of said contract to be by him done, and that if said Crary failed to perform, the other party was by reason of said non-performance at liberty and had the right to revoke the authority of the said Crary, and terminate his interest under the said paper; which the court refused to give, to which refusal the plaintiffs then and there excepted.

And the plaintiffs then asked the court to charge the jury that in order to the effectual revocation of the power conferred on Holdamand Crary by the paper between Sarah Burdell and said Crary, dated March 13, 1860, or in order to the rescission of the contract by said paper shown, it was not, as between Crary and Burdell, necessary to procure any injunction against the said Crary, and that if the said Crary had not performed his part of the said contract, the notice given in evidence signed by said Sarah Burdell, and dated October 3, 1860, was sufficient to revoke or rescind, as between the parties to said paper, and that as to any person having notice of such revocation or rescission, no injunction against Crary was necessary to the full effect of such revocation or rescission; which the court refused to give, to which refusal the plaintiff then and there excepted.

And the plaintiff then asked the court to charge the jury that, if you find that the paper from Sarah Burdell to Crary, dated October 3, 1860, was served on Crary within a year from its date, and that in July, 1861, in the conversation between Burdell and the defendants, Burdell told the defendants that Crary had no authority to sell rights to use the sewing machines or receive pay therefor, then the defendants had no right to make the payment to Crary, as set forth in the receipt of Crary, dated October 9th, 1861, and the receipt of the money at that time by Crary from the defendants is no defence to this action; which the court refused to give, to which refusal the plaintiffs then and there excepted.

The plaintiffs then asked the court to charge the jury that in this action the receipt of Crary to the defendants, dated October 9th, 1861, is no defence

in bar of the plaintiffs' right to recover; which charge the court refused to give, to which refusal the plaintiff then and there excepted.

And the plaintiffs asked the court to charge the jury that the contract between Burdell and Crary, of 13th March, 1860, vested no authority in Crary alone to compromise with a third party for past infringements of the rights of the plaintiffs, and if the defendants paid Crary for past infringements such payment is no defense to this action; which the court refused to give, but charged that Crary had authority to accept satisfaction for past infringements, and his settlement with infringers for prior infringements of the rights of the plaintiffs were conclusive upon the plaintiffs and barred their right of action for such infringements, to which refusal, and to the charge as given, the plaintiffs then and there excepted.

The plaintiffs then asked the court to charge the jury that the contract with Crary, the receipt of Crary of 9th October, 1861, the verbal assent that Bryfagle might use a machine, and the shop-right sold to Rinkenberger, are not sufficient to change the rule of damages from the *profits* which the plaintiffs would have made if they had not been embarrassed by the interference of the defendants, to a *mere license price*, because these acts of Burdell are not sufficient in law to establish a customary charge for the right to use the invention in said county of Franklin; which the court refused to give, to which refusal the plaintiffs then and there excepted.

The evidence set out in the bill of exceptions is not the same in all respects as that which appears in the report in 2 Fisher, 588.

ARGUMENT ON QUESTIONS OF LAW.

On this statement of facts I proceed to notice what are claimed to be errors in the rulings of the circuit court.

I.

The court erred in admitting in evidence the assignment or license by Burdell of February 4, 1857, *to Lowe, of the Singer patent of August* 12, 1851, *and in charging the jury that it authorized defendants to use the Singer machine, with a "feeding device" operating on the principle of that patented to Wilson.*

The Singer patent is found in the printed record, but does not appear in the bill of exceptions, nor is there any reference to the reissued Singer patent of 1854, as in 2 Fisher, 593. The material facts which *do appear* are that on the trial there was evidence "tending to prove that defendants had infringed the rights of the plaintiffs by the use of *several sewing machines*, and among them *four* known and called Singer machines, *and* that the feeding device in *all* said machines was substantially on the principle and plan of operation of the feeding device described in and patented to Wilson; that the Singer machines used by defendants were purchased of Singer & Co., and *were made* as the Singer machines *had always been made*;" that Burdell executed the license of February 4, 1857, before referred to, and that all rights under it were transferred to Singer & Co. This license is evidence by way of estoppel as to all parties that Burdell owned the Singer patent of August 12, 1851, which is undoubtedly the fact.

The proof of *infringement* makes it clear, as the fact is, and as the

Singer patent in the record shows, that *this* Singer patent did not cover the Wilson "feeding device."

There is no evidence that Burdell *knew how* the Singer machines "had always *been made.*"

On these facts the court charged the jury that "the said license authorized the said Lowe and all claiming title from him to use the Singer machine with a feeding device operating upon the principle and plan of that patented to Wilson."

The license must be limited to the Singer machine AS PATENTED, *and not as* GENERALLY MADE, *for several reasons:*

1. *The words of the license are so limited.* Its language is "Singer's patent sewing machines, *as mentioned in the patent* granted to Singer, dated August 12, 1851."

The machine *as made* was *not* the machine "as mentioned in the patent."

To construe the license as extending to the machine as made is to make it mean what its language does *not* say.

Here is no *ambiguity;* the words are susceptible of a clear, plain meaning, perfectly operative as to a well-defined subject-matter. Suppose Lowe had made machines "as mentioned in the patent," could he be enjoined from using them because other machines had been made not "as mentioned in the patent?"

I can conceive of no stronger or more appropriate words to give and limit the license to machines described in the patent. It certainly can never be necessary to add, "this shall be construed to *mean what it says.*"

If courts may by construction make the words "as mentioned in the patent" to mean "not as mentioned," then where is the limit? Greenleaf says: "The duty of the court is to ascertain not what the parties may have secretly intended as contradistinguished from what their words express, but what *is the meaning of the words they have used.*" (1 Evidence, § 227; *Doe* vs. *Gwillim*, 5 B. and Ad., 786; Beaumont *vs.* Field, 2 Chitty R., 275; King *vs.* Inhabitants, 4 Nevile and Manning, 426; King *vs.* Connors, 1 Nevile and Perry, 375; Dwarris on Stat., 711; Bank *vs.* Dalton, 9 Howard, 522.) Vattel says: "The first general maxim of interpretation is that it is not allowable to interpret what has no need of interpretation. When a deed is worded in clear and precise terms; when its meaning is evident and tends to no absurd conclusion, there can be no reason for refusing to admit the meaning which such deed naturally presents. To go elsewhere in search of conjectures in order to restrict or extend it is but an attempt to evade it." (Lawler *vs.* Burt, 7 Ohio St. R., 349.)

This is founded on a legal maxim, "*quoties in verbis nulla est ambiguitas ibi nulla expositio contra verba.*" 2 Saund.,,157; Day *vs.* Cary, 1 Fisher Patent cases, 424; S. C., 4 Bl., C. C.

Unless the words are adhered to a grantor may, by construction, be made to grant what he did not own. This license is to be construed precisely as if Burdell owned *only* the Singer patent of 1861.

And on that theory he was made to grant what he had no right to grant. Day *vs.* Cary, 2 Fisher, 424. This would make him liable as for a warranty of the right to license a patent he did not own.

2. *A rule of construction so limits the license*, which is that where an object "be described in *general terms* and a *particular description* be added the latter controls the former."

This rule was applied by Mr. Justice Parke in relation to a description of lands in *Doe* vs. *Galloway*, 5 B. & Ad., 51; 1 Greenl. Ev., § 301:

In this license there is a description in "general terms,"—"Singer's patent sewing machines." But there is added a "particular description" of the machines, "as mentioned in the patent granted to Singer, dated August 12, 1851." This latter particular description controls the former.

3. *Another rule of construction so limits the license which is that if practicable effect must be given to every word and clause and none shall be rejected. Ut res magis valeat, quam pereat.*

Co. Lit., 36a; 2 Blackst., 380; Plowd., 156; Cour *vs.* Alger, 7 Cushing, 53–89; Atty. Genl. *vs.* D. & E. Plankroad, 2 Mich., 138; Hutchen *vs.* Niblo, 4 Blackf., 148; Jones *vs.* Dubois, 1 Harr., 285; 22 Pick., 571; Broom L. M., 238.

If the license covers *more* or *other* inventions than those described in the specifications in the patent, then the words "as mentioned in the patent" have no effect. They are totally rejected.

4. *The license is so limited when "read by the light of surrounding circumstances."*

It may be so read. 1 Greenl. Ev., § 277; *Hildebrand* vs. *Fogle*, 20 Ohio, 157.

a. One "surrounding circumstance" at the date of the license was that Burdell owned the Wilson patent, including a valuable feeding device. He also owned the Singer patent, not including the feeding device. The license gave an "*exclusive*" right to use the Singer machine.

Now if the license covers the Wilson feeding device as claimed, then Burdell surrendered the most valuable part of the Wilson patent without saying so, leaving in himself another part not sold. His patent privileges were cut in two parts—one useless without the other, but if he used all he would infringe the exclusive license. And all this for a consideration of $80 in a county including the capital of Ohio and all its manufacturing industries requiring an extensive use of the Wilson machine.

b. The circumstance that the Singer machines had "always been made" with the feeding device can have no weight.

There is no evidence that Burdell knew how it had been made. If he did not, then he could not have intended in the license more than

the patent specifications authorized. If he did know, then the license uses clear terms limiting it to the patent specifications.

c. The "surrounding circumstances" should have been submitted to the jury, to determine as a fact the meaning of the license since they were not all undisputed.

Brown *vs.* McGran, 14 Peters, 479.

d. In 2 Fisher's P. C., 588, it was held that a re-issued patent will pass to the assignee of the original patent by *ratification*, but not by *enurement*. In that case it appears that the original Singer patent of August 12, 1851, was re-issued October 3, 1854. (See Law's Dig., 564.) This fact does not appear here. But a *hypothetical* case may be used to aid in the construction of this license to Lowe. Let us suppose, therefore, that the Singer patent was re-issued October 3, 1854, amending the specifications so as to include a feeding device not in the original. Now the words found in the license, "as mentioned in the patent to Singer dated August 12, 1851," would be proper either to exclude a ratification of the re-issue, or if ratified to *limit* the license to the original patent.

The re-issue would be a "surrounding circumstance," throwing light on the purpose and meaning of these words of the license:

II.

The Court erred in admitting in evidence the Burdell and Crary letter of attorney of March 13, 1860, *in refusing to charge that it was revocable, and in charging that it could not be revoked for any cause.*

This letter of attorney went to the jury for two purposes:

First. To rebut the idea that Burdell was holding a "close monopoly" in the Wilson patent, and thus to convert the measure of damages from profits for use to a license fee; and—

Second. As evidence that Crary was authorized to execute the so-called accord and satisfaction of October 9, 1861.

The letter of attorney had been revoked, and notice thereof given to defendants before the so-called accord.

The Court charged that it was not revocable. The result was that the jury undoubtedly held there was an accord and satisfaction of all damages arising from the use of the Singer machines, and only gave damages for the "several" other machines.

Passing for the present the objections to the letter of attorney, that it could not change the rule of damages, and gave no authority to execute an accord, it is submitted that—

1. *The Court erred in charging that it was not revocable.*

a. A "power coupled with an interest" defined. The general rule is, that the powers of an agent are revocable unless "coupled with an interest."

In *Hunt* vs. *Rousmanier*, 8 Wheaton, 174, Marshall, C. J., declared that to constitute a "power coupled with an interest," the

"*power* must be engrafted on an estate in the thing"—"the interest must be an interest in the thing itself"—that it is "an interest in the subject on which the power is to be exercised," and that "an interest in that which is produced by the exercise of the power" cannot constitute a "power coupled with an interest." 294, S. C. 1, Peters 1. See same case, 2 Mason, 244. S. C. 3, Mason. In that case the court was dealing with a revocation *by death*, but in doing so defined a "power coupled with an interest" in its relations to revocation, as well by act of the principle. There is no difference in this respect.

The same definition is recognized by other authorities. *Brown* v. *McGran*, 14 Peters, 494–5; *Bergen* v. *Bennett*, 1 Caine's Cases, 1; *Knapp* v. *Alford*, 10 Page, 205; 23 Peck, 330; 7 Barb., 412. Story Agency, § 150–164–399–400–477.

b. The Crary power NOT "*coupled with an interest.*"

That it gave on *conditions precedent* from month to month an interest in that which was to be "produced by the exercise of the power" may be true. But it gave "no estate in the thing"—the patent right. Crary was not a *purchaser*. He was not a *grantee*. He was not an *assignee*. To be grantee or assignee he must have an exclusive right to make use and vend. (10 Howard, 494, 5; Patten *vs.* Hallam, 1 Fisher P. C., 328; Hupey *vs.* Whitely, Law's Digest, P. C., 169, sec. 7.)

He could not sell in his *own name*. He could only act in the name of and *for* his principal. He could only act for Burdell. Hence the rule stated by Chief Justice Marshall in 8 Wheaton applies that "as the power of one man to act *for* another depends on the will and license of that other, the power ceases when the will or this permission is withdrawn."

c. But if this could be held to be a "power coupled with an interest," it is a power the right to exercise which depends on the performance of conditions by Crary in which he failed, *thereby* authorizing a *rescission*.

In 3 Parsons on Contracts, 679, (6th ed.,) it is said that "generally where one fails to perform his part of the contract, or disables himself from performing it, the other party may treat the contract as rescinded."

III.

The court erred (1) *in admitting in evidence the Crary receipt of October* 9, 1861, *and* (2) *in refusing to charge that it was no defence* IN BAR *of the plaintiff's right to recover, and* (3) *in charging that the Burdell-Crary letter of attorney of March* 13, 1860, *authorized Crary to accept satisfaction for past infringements.*

This proposition includes three several but germane points, each of which may be seperately considered.

I. *The Crary receipt of October* 9, 1861, *was improperly received in evidence.*

This is so as a question of pleading both on *general principles* and by force of the *patent law of July* 4, 1836. The patent law of July 4, 1836, (5 Stat., 123, sec. 15,) authorized the defendant "to plead the general issue," and to give certain defined *special matters* in evidence, of which notice in writing may have been given.

Whether this receipt may properly be call payment, partial or entire, or an "accord and satisfaction," it is not one of the special matters, and was not *specially* pleaded. It was executed *after the suit was brought*, and was not pleaded as such.

a. This defence excluded on general principles of pleading.

In 1 Abbott's Practice, 60, it is said that courts in actions of this character "follow the rules and authorities customarily recognized in courts proceeding according to the course of common law."

By these rules matter in bar arising after suit brought cannot be given in evidence under the general issue. In *Lee* vs. *Levy*, 4 Barnwall and Cresswell, 390, the indorsee of a bill of exchange sued the endorser, and afterwards took from the acceptor a warrant of attorney for the debt and costs. It was held "that the taking the warrant of attorney being a *matter arising after the commencement of the action*, it was *no bar* to the action generally, and therefore not receivable in evidence under the general issue."

Abbott, C. J., said:

"The question, whether a matter arising after action brought can be pleaded in bar of the action, was very fully considered in the case of *Le Bret* vs. *Papillon*, (4 East, 502.) There this Court, on the authority of *Evans* vs. *Prosser*, (3 Term R., 188,) decided that no matter of defence arising after action brought could properly be pleaded in bar of the action generally, but that it should be pleaded in bar of the *further maintenance* of the action. Considering that *the matter of defence in this case arose after the original was sued out*, we are of opinion that it could not be pleaded in bar of the action generally, and consequently that it was *not admissible in evidence under the general issue.*" See *Mc Chesney* vs. *Wainwright*, (5 Ohio, 454.) This is adopted as the American rule in Stephen on Pleading, 401, (5th edition.)

Stephen says of the plea of not guilty, in trespass on the case, that it "will apply to no other defences than a denial of the wrongful act." (5th edition, 160.)

There are authorities of more than questionable propriety which recognize the right to give an accord and satisfaction in evidence under the general issue, but they undoubtedly refer to such *before suit brought.* (2 Greenl. Ev., secs. 29–6; 6 Gould Pl. Ch. 6, sec. 55; Stephen on Pleading, 182–3.

(*b*) *The statute excludes the defence.*

The statute of July 4, 1836, enumerates the *special defences* that may be given in evidence, on written notice, under the general issue. This evidently had two objects—*first*, to define and limit the special defences that might in this form be admitted; and, *second*, to require

as a necessary result that all *other* special matter should be specially pleaded.

The notice which the statute requires cuts off what Greenleaf calls "the abuse of the general issue." (2 Ev., sec. 7.)

The enumeration of the particular defences is conclusive evidence that no other can be made. *Expressio unius exclusio alterius.* In this case the Court below permitted the so-called accord and satisfaction, arising after suit brought, a special defence, to be given in evidence without special plea or notice.

II. *The Crary receipt is no defence in bar of the plaintiff's right to recover.*

This is so for several reasons:

1. *It is not for* THE *damages demanded in the declaration either*—(a) *in* KIND; *or* (b) *in* EXTENT, *nor* (c) *does it profess to be so in* FORM.

Blackstone defines an "accord" to be "a satisfaction agreed upon between the party injuring and the party injured, which, when performed, is a bar of all actions upon *this* account."

Again, it has been defined "an agreement to receive some act or thing in satisfaction of a claim or *injury.*"

A plea of accord and satisfaction is in *form* that the plaintiff "accepted and received in satisfaction of the *damages* in the declaration mentioned," and the *issue* is, as Greenleaf says, "upon the delivery or acceptance of something in satisfaction of the debt or *damages* demanded." (2 Ev., sec. 28.)

From all this it is clear that an accord and satisfaction to be available *in bar of* the plaintiff's right to recover must be (*a*) for *the* damages demanded in kind, and (*b*) for the whole cause of action when, as in this case, it is one and entire.

(*a.*) Now this receipt was not for "*the* damages in the declaration mentioned," but was "for the use" of specified machines.

"*The damages*" which the plaintiffs were entitled to recover are totally different from the value of *the use* of the *machines.* They cover the "profits" made by defendants, or a "*license fee,*" either of which will necessarily be larger than the value of the use of the *machines.* The use of the *machines* does not necessarily include the use of the *patent franchise.*

The *value* of the use of the machines could at most be only *one* element of the plaintiffs' damages. And satisfaction of *one* could not operate as satisfaction for *all.* Damages constitute an *entirety.* They can no more be *split* than a cause of action. And it is well settled that—

"Where a party has one entire claim or demand, he cannot divide it into separate and distinct claims, and bring an action for each."

4 McCord, 20; 15 Johns, 229; 16 Johns, 121; 1 Wendell, 487; 8 Wend., 492; 15 Wend., 557.

The receipt, therefore, was not for the *same injury* in *kind* complained of in the declaration. Therefore it could not bar *that injury.*

The receipt was not in *extent* for the *whole* cause of action declared on; and, therefore, could not be a *bar*, which is entire, and goes to the *whole action*.

The receipt was for the *use of specified machines*. It did not *per se* identify *these* as *the* machines complained of in the declaration. If it could be held sufficient in form to relate to the *kind of damage* sued for, it does not reach the whole of *that* damage because it does not cover the *same*, or not all of the machines "in the declaration mentioned."

The plaintiffs asked the Court to charge "that in this action the receipt of Crary is no defense in bar of the plaintiff's right to recover."

That is, the Court was asked to charge in effect that *the receipt, per se* is no bar. The refusal to so charge left the jury to infer it was *per se* a bar.

No question is made as to what would be the effect of the receipt *if accompanied by evidence to prove it covered all the machines complained of*. But the court assumed all this, and took the questions of fact from the jury.

c. *The receipt does not in* FORM *profess to operate upon or* BAR *the action.*

Bouvier says one of the elements essential to a good accord is *certainty*. Dic. Tit., "Accord" Citing, Yelv., 125; 4 Mod., 88; 2 Johns, 342; 3 Lev., 189:

This paper does not refer to the pending action, by name or otherwise. *It* states no one fact which could lead to the inference that it was designed to *bar* the action.

There is no *extrinsic fact* which can so apply it. There is no evidence even that Crary *knew* an action was pending.

The paper carries on its face evidence *excluding* the idea that it could *bar*, or even in any way affect, the pending action. The right of the *plaintiffs* to maintain the action for an infringement is not controverted. This right had not passed to Crary.

This paper is not executed in the name of, or for the plaintiffs. Crary does not profess in it to act *as agent*. It seems to have been a precautionary measure to prevent any suit by him. Hence it is for *past* and *future* "*use*" of machines, patents in which he had an interest. For this reason it concludes "until the expiration of all the patents in same [machines] *belonging to me* or in which I have any interest."

Whatever may be the rule on grounds of convenience and policy as to commercial and ordinary business contracts, yet a right of action in a cause pending in a court of record, cannot be released unless by the personal act of the plaintiffs, or by agent *acting in the name of the plaintiffs*. Story Agency, § 147, 160, 270.

2. The receipt was no *bar* because not pleaded specially. This question has been discussed.

3. It was no *bar*, because there is no evidence that the money therein mentioned was (a) *received* (b) in *satisfaction*.

In 2d Parsons on Contracts, (6th Ed., 685,) it is said:

"It must be *proved*, not only that the thing was *delivered*, but that it was *received in satisfaction*." Maze *vs.* Miller, 1 Wash. C. C., 328; Sinard *vs.* Patterson, 3 Blackf., 354; Hall *vs.* Flockton, 4 Eng. Law and Eq. R., 185; State Bank *vs.* Littlejohn, 1 Dev. and Batt., 565.

In a note to Parsons it is added:

"And it is entirely a *question for the jury*, whether there was an acceptance. Every *receipt* is not an acceptance. To constitute an acceptance there must be an *act of the will*. Hardman *vs.* Bellhouse, 9 M. & W., 600; Brenner *vs.* Herr, 8 Penn. St., 106."

From this it will be seen, the receipt, if specially pleaded is no bar, unless the *proof* shows two concurring facts, the *payment* of the money, and that it was *received in* satisfaction of the damages sued for. These are questions of fact for the jury.

The refusal to charge that the receipt is no *bar* took from the jury both these questions of fact, and assumed as a fact that the money was (1) in fact *received* and (2) *in satisfaction* of the "damages in the declaration mentioned."

This was *contrary to the truth*, since there is no evidence that even Crary *knew* a suit was pending, and *he* could not intend to bar the action. It is not pretended the plaintiffs assented to it as satisfaction.

4. The receipt was not valid as a *bar* for another reason. When the suit was commenced and *costs* made, they adhered to the cause of action as an incident, though they were *distinct* as being due to officers. It was the right of plaintiffs to have *judgment* for these. No accord can *bar* the action which does not pay the costs accrued and necessary to terminate the action. In reason this must be so. The costs may often exceed the original cause of action; yet satisfaction of the *original cause* cannot *bar* the action.

The court must proceed to render judgment for costs.

It is no unusual thing in suits on money demands to make payments pending suit, but the cause of action is not so far gone as to defeat judgment until costs are paid, and then only by plea of payment pending suit.

The question in the case is not now how far, if at all, the receipt might operate to reduce, as in the nature of a credit, the damages which plaintiffs might be entitled to recover.

III. *The Burdell-Crary letter of attorney did not authorize Crary to execute an accord of the right of action.*

1. It is important to ascertain the precise meaning of the letter of attorney in some of its objects. There is one rule of interpretation which may relieve it of some difficulty: that every *word* and *clause*

shall, if practicable, have some appropriate effect so that none may be rejected as void or useless—*ut res majis valeat quam pereat.* (Broom Legal Max., 238; 2 Blackst., 380; Plowd., 156.)

The true construction seems to be:

1. That all rights of action for infringement of plaintiff's patent by the use of machines owned by any person *previous to the date* of the letter of attorney are reserved to the plaintiffs.

It provides for suits at law to recover damages against those who *thereafter sell*, and those who, in violation of the rights of plaintiffs, use any machine *thereafter sold.* As to all others, suits may be brought by consent of both parties.

2. As to all *such* suits instituted by agreement of *both* parties, they are equally to share expenses and profits.

3. But the third *proviso* expressly declares that Burdell "may see fit" in "*any*" case, without the consent of Crary, to bring suit, and in *such* case the former alone shall bear expenses and have profits.

This qualifies the words of the first proviso, which say that no "such suits shall be instituted without the consent of both parties."

This construction makes the contract consistent, harmonious, and operative in every word and clause. Any other construction brings the third *proviso* in flat contradiction with former clauses, with no safe means to determine which shall yield.

There is no evidence that the machines used by the defendants were *bought* by them *after* the date of the letter of attorney.

There is no evidence that this suit was brought with the consent of Crary. The fact that it is pending in Burdell's name is evidence that he did "see fit to institute" it.

Then, by the express terms of the agency contract, *this suit* is one over which Crary has no control.

The court below were asked to charge that this contract "vested no authority in Crary alone to compromise" or give a receipt in satisfaction of damages for infringement; that is, that the contract *per se* gave no such authority.

No question was made as to what might be the effect if the suit had been brought by mutual consent of Crary and Burdell, or as to machines bought by defendants after Crary's letter of attorney.

The court refused to so charge, and this is claimed as error.

IV.

The Court erred in the charge as to the rule of damages and as to the COMPETENCY *and* EFFECT *of evidence on that subject.*

No evidence was offered to prove a general or "*established*" license price or fee, or "*customary charge*" for the use of any machine. The Court permitted evidence (undoubtedly offered by defendants) that Burdell sold a *shop right* to Rikenberger for $12.50, and authorized Bryfogle to use in his house an old second-hand machine for $5. It

does not *specifically* appear that plaintiffs objected to this, but the charge which they asked raised the question of the admissibility and *effect* of this evidence. The court was asked to instruct the jury that "these acts are not sufficient [competent evidence] in law to establish a customary [license] charge."

This raised the question of the *admissibility* of the evidence.

The Crary license authorizing sales (until revoked) was in evidence, though it was not proved he ever sold any machine. This was all of defendants' evidence affecting the rule of damages.

The plaintiffs gave evidence tending to show the "*profits*" made by defendants by the use of the machines exceeded $5,000. The plaintiffs asked the court to charge that this evidence was "not sufficient to change the rule of damages from *profits* to a mere *license price*, because these acts are not sufficient [*competent evidence*] in law to establish a *customary charge* for the right to use the invention."

This was refused.

It is submitted that the court erred in several particulars.

1. *The court erred in admitting in evidence proof of two* ISOLATED *licenses and the fee exacted therefor.*

There is no "one rule of damages which will equally apply to all cases." (Seymour *vs.* McCormick, 16 How., 480.)

But the *general rule* of damages is the "*profits*" made by defendants by the use of the patent.

Curtis on Patents, 4th ed., § 388; Lowell *vs.* Lewis, 1 Mas., 184; Whittemore *vs.* Cutter, 1 Gall., 429; Pitts *vs.* Hall, 2 Blatchf., 229; Wilbur *vs.* Beecher, 2 Blatchf., 132.

This is the rule in England.

Elwood *vs.* Christy, 18 C. B. N. S., 494; Law's Digest Patent Cases, 240, sec. 106, Coleman *vs.* Liesor, per Leavitt, J.; Seymour *vs.* McCormick, 16 Howard, 490; Livingston *vs.* Jones, 2 Fisher, 209–211; Sanders *vs.* Logan, 2 Fisher, 168–170; Hall *vs.* Wiles, 2 Blatchf., 194; Hilliard on Remedies for Torts, 631.

To this *general* rule there are exceptions.

These authorities show that there is a class of cases in which "the inventor's profit consists neither in the exclusive use of the thing invented nor in the monopoly of making it for others to use, but in having a general use of it by all who are willing to pay him the price of his license." (2 Fisher, 209; 16 How., 480.)

Of this class of cases are patent mill-bolting cloths, grain-cleaning attachments to mills, railroad turnouts, stoves, &c. In such cases the general rule cannot apply.

But the plaintiffs do not belong to the exceptional class, and they are, therefore, not excluded from the *general* rule of damages by the fact of having made two or more isolated sales of the right to use

machines. They owned the right *to use*, in Franklin county, the Wilson sewing-machine. They sold no licenses indicating a purpose to materially abridge *their* use.

If this *general* rule of damages can be excluded in any such case as this, it is only when it is clearly shown that there is a regularly "*established* license fee."

In Suffolk Co. *vs.* Hayden, (3 Wallace, 315,) the Court say:

"There being no *established* patent or license fee in the case, in order to get at a fair measure of damages, or even an approximation to it, general evidence must necessarily be resorted to."

The holder of a patent certainly could not enhance his damages by arbitrarily fixing an enormous license fee, and for the same reason he is not limited in his damages to an arbitrary or charitable grant of isolated licenses.

But conceding for the present that the rule of "profits" may be changed by proof to a "*license fee*," the question is by *what kind of evidence*?

Clearly not by evidence of two *isolated* licenses for a nominal consideration.

If a license fee can govern, it must be a *general established* one. This can only be proved by evidence showing what is the *general established fee*.

The *general price* may be evidence of *value*. But the price in a *particular case* is not evidence of either price or value. In McCracken *vs.* West, (17 Ohio, 24,) the question was, whether the price at which an article sold at an assignee's public sale, was evidence competent to go to a jury to prove its value. The court said:

"The true question is, what was the value, not what did it sell for. Property often sells for less than its value, and almost certainly so at forced sales."

Isolated private sales are still more unreliable. The price may be fixed from motives of friendship, charity, or other causes. In the case of a permission to use a sewing machine, it may be in view of a very limited use. The truth cannot be known without the circumstances and motives. For this reason *special sales* constituted *no element of evidence*.

And so are the authorities:

Seymour *vs.* McCormick, 16 How., 480; Suffolk County *vs.* Hayden, 3 Wallace, 315; McConnech *vs.* Seymour, 3 Blatchford, 209–224; Sanders *vs.* Logan, 2 Fisher, 170; Livingston *vs.* Jones, 2 Fisher, 209.

These cases speak of "the *customary* charge" as the evidence to prove a license fee.

The evidence, then, was incompetent.

2. If a license fee could control, it must be the fee for *such use* as defendants had. The defendants were large manufacturers. A license fee for use in a private family throws no light on the value of a license for general manufacturing. For this reason the evidence was incompetent.

3. The license fee can only control the damages where the defendant uses the *plaintiff's patent* without authority. In such case the license fee might form some equitable rule. But in this case the defendants used a "feeding device" covered by the patent of plaintiffs on a Singer machine. This combination might *increase the capacity* and hence the *value* of the feeding device. In such case if a *Wilson license fee* controls, the defendants would get double the benefit without increased compensation to plaintiffs. This would be unjust. Hence a license fee can apply to no such case as this.

4. The court erred in refusing to permit plaintiffs to prove "why they had given Rikenberger a license."

If the fact of giving a license could be used against plaintiffs the reason for giving it should be heard in their favor.

A license fee is no rule of damages unless the purpose to maintain a close monopoly is abandoned.

So far as this license might show a purpose not to retain a close monopoly, plaintiffs might show that the license was procured by fraud, or given as charity or for a special reason operating in that case which could not apply generally, and so could not be an item of evidence to prove a general purpose.

From all this it is clear the court erred. The facts being stated it became a question of law for the Court to determine the *effect of the evidence* as to the rule of damages. But the court erred in this and in assuming as a *fact*, that Burdell had surrendered a close monopoly.

WM. LAWRENCE,
Counsel for Plaintiffs.

JANUARY 11, 1876.

U. S. Supreme Court.

WILLIAM BURDELL, D. MARSHALL SMITH and SUMNER T. SMITH, *Plaintiffs in Error*, *vs.* AUGUSTUS DENIG and WILLIAM E. IDE.	*No.* 128.

Brief for Defendants in Error.

This suit was brought on two reissue Patents; one dated January 22, 1856, and numbered 346, and the other dated December 9, 1856, and numbered 414, the original of which reissues was dated Nov. 12, 1850.

Suit was commenced on October 7, 1861.

On February 4, 1857. Burdell assigned to J. Payne Lowe the exclusive right to use and sell to others, to be used in the County of Franklin, Singer's patent sewing machines, as mentioned in the patent to Isaac M. Singer, dated Aug. 12, 1851, with the right to have the said machines delivered to be used or sold, to be used in the said County.

March 20, 1861, Burdell assigned to the plaintiffs, D. M. Smith and S. T. Smith, "one equal undivided half of said Burdell's" interest.

First Exception:

This exception was to the admission of the assignment by Burdell to Lowe.

This exception was not well taken.

A part of the infringement charged was for the sale of Singer machines.

The assignment to Lowe was to him, "his representatives and assigns," of an exclusive right to use and sell to others to be used" the Singer sewing machines, such as described in the Singer patent of 1851.

Second Exception:

This was an exception to the admission in evidence of the receipt from the defendants to Crary.

The use of machines, for which Crary settled with defendants, occurred after his agreement with Burdell of the 13th of March, 1860.

By that agreement Crary had the right to receive compensation for the use of machines.

This right included uses of machines which had occurred before he received the compensation, as well as uses which occurred after receiving the compensation, and uses which occurred before Crary authorized the use, as well as uses which occurred after he authorized them.

The receipt was proper evidence, tending to show such settlement.

Third Exception:

This was an exception to the refusal of the Court of the offer to prove why the license was given to said Rikenberger to use one of the machines. That evidence was rejected. The offer was not to prove why the license fee was small. The offer went no further than to offer to prove a reason why any

license was granted to Rikenberger, or why only one was granted to him instead of more. Such reason was immaterial.

Fourth Exception:

This was an exception to the refusal of the Court to charge the jury that the Burdell license to Lowe, dated Feb. 4th, 1858, did not authorize a use of the Wilson feed. That license to Lowe referred to the Singer Patent Sewing Machines.

At folio 29 of the record it appears that the plaintiffs in error proved that the defendants had used four Singer machines containing the feeding device of the A. B. Wilson patent. It was, therefore, a question of fact for the jury as to whether or not these were the same kind of machines and had the same kind of feed as the machines which were licensed to Lowe.

Fifth Exception:

This was an exception to the refusal of the Court to charge the jury that the agreement of March 13th, 1860, between Burdell and Crary, was revocable. That request was properly refused.

The agreement between Burdell and C. Crary of the 13th of March, 1860, was a mutual agreement, containing mutual covenants. The rights granted to Crary, coupled with the covenant of Burdell not to sell, use, or grant others the righ
was equivalent, as between Burdel
and Crary, to an assignment of th
to be held by him for four years a
It was the grant of a power pr
enant which constituted an inter
Burdell could not divest himself
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grantor, were coupled together and Burdell had no power to separate them. The instrument was a license and it was unconditional.

Crary was obviously to carry on the business of procuring and selling machines and authorizing others to use them in his own name. He had a right to sell machines on credit. He was to pay thirty-five per centum on the difference between the first cost of the machines and the prices at which he sold them.

For aught that appears, at the time of the pretended notice of revocation, he had sold machines which were not paid for, and had an open unsettled business in progress.

Sixth Exception:

This exception was to the refusal of the Court to charge the jury that all the rights of Crary under the contract of March 13th, 1860, were on condition of said Crary performing his part of the contract. Obviously such a charge would have been incorrect,

FIRST.—Because no such condition is expressed in the agreement.

SECOND.—Because it is an agreement containing mutual covenants and a license, and an agreement, in which the covenants do not constitute the whole of the consideration on both sides.

THIRD.—Because the agreement contained independent covenants.

A failure of one of the parties to such an agreement, to perform his covenant does not authorize the other party to rescind the agreement.

2 Parsons on Contracts, 6th Edition, 527, 528, and cases there cited. Also page 676, 678, and cases there cited, + Coe v Bradley, Vol. 9, No. 1 et office Gazette, p. 54,

FOURTH.—The request was for a *construction* of the agreement, that is, for the Court to instruct the jury that a failure by Crary to perform

any part of his contract authorized Burdell to rescind the contract on his part.

Such a construction of the contract would have been erroneous:

FIRST.—Because it is a contract containing more than mutual dependent covenants. It contains mutual independent covenants and also a licence, and therefore the fault of one of the parties in keeping his covenant would not authorize the other party to rescind the contract.

SECOND.—Because it is such a contract that a partial failure of one of the parties to perform his part would not authorize the other party to rescind the contract.

2 Parsons on Contracts, 6th Ed., 678.
Burdell *v.* Denig, 2 Fish, 588.

If the Court had charged, as requested, it would have been construing the agreement, to be one, under which the failure of Crary, to make a single payment, although he may have made many, previously, would deprive him of all right under the agreement.

Seventh Exception:

This exception was in substance to the refusal of the Court to charge the jury that the agreement of March 13, 1860, was revocable at the will of Burdell.

This refusal was correct for reasons already given.

Eighth Exception:

This exception was substantially to the refusal of the Court to charge the jury that the agreement of March 13, 1860, was revocable. This exception is the same as the seventh.

Ninth Exception:

This was an exception to the refusal of the Court to charge the jury that the receipt dated Oct. 9,

1861, by Crary to the defendants was no defense to the action.

This request was properly refused because, as already shown, Crary had power to accept pay for the use of the machines which the receipt specifies, and to give a valid receipt therefore.

Tenth Exception:

This was an exception to the refusal of the Court to charge the jury that the agreement of the 13th of March, 1860, did not give Crary any right to compromise with infringers for past infringement.

The refusal of the Court was correct because Crary had power to sell rights for past as well as future use.

Eleventh Exception:

This exception was to a refusal of the Court to charge the jury that the contract with Crary, the receipt of Crary, to the defendants, the verbal assent to Bryfagle to use a machine, and the shop-right to Rikenberger was not sufficient to change the rule from profits made by the plaintiffs to a license fee.

That was a question of fact, therefore the request was properly refused.

Sanders *vs.* Logan. 2 Fish., 167.

Burdell *vs.* Denig. 2 Fish, 588.

GEO. GIFFORD,
Counsel for Defendants in error.

United States Supreme Court.

WILLIAM BURDELL, D. MARSHALL SMITH and SUMNER T. SMITH, *Plaintiffs in Error*, *vs.* AUGUSTUS DENIG and WILLIAM E. IDE.	No. 128.

REPLY TO THE SUBSTANCE OF THE PRINTED BRIEF FOR THE PLAINTIFFS IN ERROR.

Point I. of Brief for Plaintiffs in Error.

The fundamental error which underlies the discussion of this point is an assumption that the language, "Singer's patent sewing machines, as mentioned in the patent granted to Isaac M. Singer, dated August 12, 1851," used in the assignment of Burdell to Lowe, of the 4th of February, 1857, was employed for any other purpose than to simply identify a kind of machine.

The plaintiffs gave evidence tending to prove that several sewing machines, and among them four machines known and called "Singer machines," had been used by the defendants. The defendants gave evidence tending to prove that the machines called Singer machines, used by defendants, "were made as Singer machines had always been made."

These were the kind of machines referred to in the assignment of Burdell to Lowe as the "Singer

patent sewing machines," and that assignment included and covered the four Singer machines which the plaintiffs had proved the defendants had used.

It was an assignment of an exclusive right to the use of the Wilson feed on the kind of machines known and called Singer machines. That was not an assignment by Burdell of any right under a Singer patent. Burdell did not own the Singer patent or any interest in it. There was no evidence to show, and there was no pretense that Burdell owned any interest in a Singer patent. No Singer patent is mentioned in the declaration. If he had owned a Singer patent at the date of his assignment to Lowe, the assignment would have included the use of the invention patented by such patent in connection with the Singer machines, because that assignment was general and carried to Lowe a right to use, on the Singer machine, all patented inventions which Burdell owned and which were contained in that kind of machine.

Judging from the discussion of the first point of the brief, the counsel for plaintiffs in error seems to have understood that it was the object and effect of the assignment of Burdell to Lowe to assign some right patented by the Singer patent. This is a mistake. Burdell had no such right, and therefore did not assign or purport to assign any such right.

The meaning and effect of the assignment was to assign to Lowe the exclusive right to use the invention patented by the Wilson patent on such machines as were known as Singer machines.

Burdell *v.* Denig, 2 Fisher, 594.

The Singer patent has nothing to do with this controversy, and never did have. The Singer machines were referred to only as a means of identifying certain kinds of sewing machines, and the proof was that that kind of machines was always made substantially the same. All of them, therefore, contained the A. B. Wilson feeding device. The case is to be considered the same as if there had been no Singer patent, and as if the Singer machines alone

had been referred to in the dealings of the parties to identify that class of machines.

Point II. of Brief for Plaintiffs in Error.

I think the controlling error underlying the discussion of the second point of my learned opponent's brief is in assuming that the agreement between Burdell and Crary, of March 13th, 1860, was a mere letter of attorney instead of regarding it as a license to participate in the use of a franchise.

That agreement contained the grant of a *license* being a *part* of the *privilege* held by Burdell for the use in Franklin County of the inventions patented by A. B. Wilson.

There is a wide difference between the grant of a right to use an invention and a mere power of attorney.

The grant of a power is an authority by one to another for the latter to do something for and in the name of the former.

The grant of a license to use a patented invention is nothing of that kind. On the contrary it is the grant of a privilege by one to another for the latter to do something for himself and in his own name.

All licenses to use patented inventions are grants by the licenser to the licensee of a part of the privilege which the former held.

All such licenses to make use, or vend the patented article are grants of rights or privileges to participate in the right, in carrying on the business for himself on his own account and in his own name.

The grant of letters patent is the grant of a privilege by government, and when the patent issues the right or privilege *vests* in the patentee. The grant by the patentee of any part so vested in him in like manner *vests* the part so granted in the one to whom it is imparted, whether he be an assignee,

grantee or licensee. Whatever part is imparted to an assignee, grantee or licensee is so much of the franchise taken out of him and put into the one receiving it, and becomes vested in the one receiving it.

A license is not revocable unless made so by its language and cannot be rescinded by the licenser for a default of the licensee unless by its terms it is made conditional.

A patent right is salable. The privilege it consists of is salable. It is the subject of bargain and sale. The rights of a patentee are salable in whole or in part. The patent privilege is salable in whole or in part, and constitutes a good consideration between contracting parties. The grant of a license is a conveyance of a part of the patent privilege, and as the whole of that patent privilege is salable and constitutes good and valuable consideration between contracting parties, so a part of that privilege is salable, and in like manner constitutes a good consideration.

A license to use a patented invention partakes more of the properties of a lease than it does of the properties of a power of attorney. If one grant a lease to another to cultivate land belonging to the lessor in consideration of a certain part of the profits accruing to the lessee, the lessor cannot revoke or rescind the lease on account of a default by the lessee. In such case the lessee would cultivate the land in his own name and for himself, and not in the name of the lessor.

So, too, if a patentee grant a license to one to use the patented invention in consideration of a part of the profits which shall accrue to him, the licenser cannot revoke or rescind the license on account of a default of the licensee. In such case the licensee would carry on the business in his own name and for himself, the same as the lessee would cultivate the land leased to him for himself and in his own name.

A power of attorney or the mere grant of a power to an agent or an attorney by such an instrument as my learned opponent calls a " letter of

attorney," is entirely different in its object and effect from the grant of a license to use a patented invention.

The object and effect of granting power to an attorney is to substitute the attorney or agent for the specific purpose in place of the principal. Consequently whatever one holding such power does in the exercise of the power, he must do for and in the name of the principal; he personates the principal.

The grant of such a power to an agent or attorney is the substitution of the agent or attorney in place of the principal to act for and in the name of the principal. Such is not the object or effect of the grant of a license to use a patented invention. It makes no substitution of the licensee for the licenser, and does not create the relation of principal and agent or principal and attorney, and does not authorize anything to be done by the licensee in the *name* of, at the *risk* of, or *for* the licenser.

There is another thing especially noticeable respecting the effect of the agreement between Burdell and Crary of the 13th of March, 1860, and in the manner in which it is treated by my learned opponent.

Under the second point of my opponent's brief, at page 9, in speaking of that agreement, he says: "The Court charged that it was not revocable. The result was that the jury undoubtedly held there was an accord and satisfaction of all damages arising from the use of the Singer machines and only gave damages for the several other machines."

If such were the result, the plaintiff had no reason to complain, because surely the jury had nothing to do with the Singer machines, and if they gave damages for the several other machines proved to have been used by the defendants, they gave the plaintiff all he was entitled to by way of damages. This would be so, even if the agreement had been revocable, and had been revoked.

All claims against the Singer machines which

Burdell ever had, passed from him to Lowe in 1857.

The settlement of Crary with the defendants was not necessary to take the Singer machines away from the consideration of the jury.

Point III. of Brief for Plaintiffs in Error.

On the trial, the plaintiffs objected to the introduction of the Crary receipt only in the following words, because it was made and executed after commencement of this suit, and because there is no proof of the truth of the facts therein stated.

It is now objected for plaintiffs—

1. That this paper should have been pleaded specially.
2. That the statute excludes that defense.
3. That the receipt is not for the damages demanded in the declaration.
4. That the receipt does not in form profess to operate upon or bar the action.
5. That the agreement between Burdell and Crary did not authorize Crary to execute an accord of the right of action.

It will be perceived that none of the aforesaid objections now insisted upon were given as grounds or reasons for the objection to the introduction and use in evidence of the receipt of Crary in the Court below.

It is now too late to introduce new reasons against the use of that receipt in evidence. The plaintiffs in error are limited to the grounds of objection stated in the Court below.

In Burton *v.* Driggs, 20 Wallace, 133, Mr. Justice Swayne, in delivering the opinion of the Court, said:

"It is a rule of law that where a party excepts to the admission of testimony, he is bound to state his

objection specifically, and, in a proceeding for error, he is confined to the objection so taken. In Hindes, Lessee, *v.* Longworth, this Court said: "As a general rule, we think the party ought to be confined in examining the admissibility of evidence, to the specific objection taken to it. The attention of the Court is called to the testimony in that point of view only. Camden *v.* Doremus, 3 Howard, 515. Hindes, Lessee, *v.* Longworth, 11 Wheaton, 199."

The three subdivisions of the third point for plaintiffs in error consist of three alleged errors. Those alleged errors all appertain to the use and effect of the Crary receipt.

Assuming that the receipt was properly admitted in evidence, the only question then is, was it properly submitted to the jury? The Court did not charge the jury that that receipt was a bar to the right of the plaintiffs to recover. What the Court refused to charge, and what it did charge in reference to that receipt, should be taken together, and when so taken it will be seen that the Court, instead of charging that the receipt barred the plaintiff's right of action, expressly charged that it covered only such infringements as the receipt applied to, which, by the terms of the receipt, was for the use of the following machines: Four Singer, two Grover & Baker, and one Battel.

The charge of the Court was only in effect that the receipt barred the plaintiffs' right to recover for infringement by the use of those machines. The words of the charge were:

> "That Crary had authority to accept satisfaction for past infringements, and his settlement with infringers for prior infringements of the rights of the plaintiffs were conclusive upon the plaintiffs, and barred their right of action for such infringements."

The words, "such infringements," as used in the charge, referred only to the infringements included in Crary's settlement, and nothing more. There-

fore, the Court in effect told the jury that the plaintiffs could not recover for such infringements as Crary had settled for, and such a charge was correct and proper for substantial justice between the parties.

Point IV. of Brief for Plaintiffs in Error.

None of the items put in evidence to show that the plaintiffs' compensation for the use of the patented invention was a license fee and not profits realized by him, were objected to. It was, therefore, a question of fact as to whether or not that evidence was sufficient to limit the plaintiffs' recovery to license fees.

It does not appear that the plaintiffs have made, used or sold any sewing machines, or ever made any profits thereby, or ever received any compensation therefor, except as license fees.

Ges. Gifford
Defts. Counsel

Patent Office
12. Dec 1850.
Opinions cases.
2 Fisher 593.

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Supreme Court of the United States.

TERM OF 1875-'6.

No. 646.

HENRY M. RECTOR, Appellant,

vs.

THE UNITED STATES AND OTHERS.

BRIEF AND ARGUMENT.

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